

February 5, 2013

The Honorable Richard Proehl, Chairperson
House Committee on Transportation
Statehouse, Room 581-W
Topeka, Kansas 66612

Dear Representative Proehl:

SUBJECT: Fiscal Note for HB 2045 by House Committee on Corrections and Juvenile Justice

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2045 is respectfully submitted to your committee.

HB 2045 would prohibit the Division of Vehicles from issuing a driver's license or driver's permit to anyone less than 20 years of age who does not submit the following documentation:

1. A diploma or other certificate of graduation issued from a Kansas secondary school, or any other state;
2. A general educational development (GED) certificate from a state approved institution or organization, or
3. Documentation that the person: (1) is enrolled in, attending, and making satisfactory progress in school; or (2) is excused from such requirement due to circumstances beyond the person's control.

The bill would require an attendance director or school principal to provide documentation of enrollment and attendance for submission to the Division of Vehicles on a form approved by the State Board of Education for any prospective student driver who is applying for or requesting reinstatement of a driver's license or instruction permit. The attendance director or principal would also be required to notify the Division of Vehicles whenever a student driver withdraws from school. Within ten days of receiving the notice, the Division must notify the student driver that his or her driving privileges will be restricted for 30 days. In this case, the student driver would be eligible to receive a restricted driver's license until reaching 20 years of age upon providing documentation of (1) application for a GED certificate from an approved institution or organization; or (2) full-time employment. If the student driver fails to comply with these requirements his or her driving privileges would remain suspended until reaching 20 years of age.

When a student driver is 19 years of age, has never been issued a driver’s license, and withdraws from school, the attendance director or principal would be required to notify the Division of Vehicles of the withdrawal. Students unable to comply with the requirements above would be prohibited from driving until they have reached 20 years of age. However, in instances when the student withdraws from school or fails to enroll in and attend school under circumstances beyond the student’s control, or the student driver transfers to another school, no notice should be sent to the Division of Vehicles.

The attendance director or principal would provide the student driver with documentation to present to the Division of Vehicles as an excuse from the school attendance requirements of this bill. A school district superintendent or a like official of any school, with the assistance of any other staff or school personnel, would be the sole judge of whether withdrawal from school is due to circumstances beyond the student driver’s control. Suspension or expulsion from school or imprisonment in a jail or a penitentiary would not be a circumstance beyond the student driver’s control.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	--
Expenditure	--	\$884,306	--	\$739,830
FTE Pos.	--	15.00	--	15.00

The Department of Revenue estimates that passage of HB 2045 would increase its FY 2013 fee fund expenditures by \$884,306 which would ultimately be required from the State Highway Fund by way of increased transfers to the Division of Vehicles Operating Fund. The Department bases its estimate on 145,017 individuals who were licensed as of December 31, 2012, are between 14 and 19 years of age, and would be affected by the provisions in the bill.

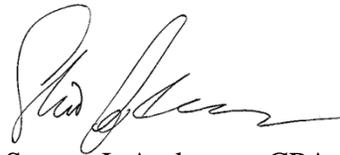
Of the amount estimated, \$226,348 would be required for Central Office Operations of the Division of Vehicles, which includes \$100,804 for 2.00 Administrative Specialist FTE positions; \$104,680 for 2.00 Senior Revenue Customer Representative FTE positions; \$17,612 in one-time other operating expenditures; and \$3,252 in annual other operating costs. The Division indicates the additional staff would be needed to process applications and other paperwork and provide customer assistance.

The estimate also includes \$566,318 for the Driver’s License Office of the Division of Vehicles, which includes \$373,384 for 8.00 Senior Driver’s License Examiner FTE positions; \$151,206 for 3.00 Administrative Specialist FTE positions; \$35,224 in one-time other operating expenditures; and \$6,504 in annual other operating costs. The Department indicates the additional staff would be needed to administer testing for an increased number of students and to issue duplicate driver’s licenses.

Finally, the estimate includes one-time expenditures of \$4,800 for 160 hours of programming to modify the current driver's license system at \$30 per hour and \$86,840 for 520 hours of additional programming at \$167 per hour once the new system is complete.

The Department's FY 2014 estimate totals \$739,830, which is equivalent to its FY 2013 estimates minus the one-time start up other operating expenditures and computer programming costs. Further, the Department indicates that any fiscal effect on state highway revenues would be negligible. The Department of Education indicates that the passage of HB 2045 would create additional administrative costs to school districts for documentation and reporting requirements, but the costs could be absorbed within existing resources. Any fiscal effect associated with HB 2045 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue
Dale Dennis, Education